

Staff Report

File #: 25-677

Agenda Date: 4/23/2025

Agenda #: 10.

DATE: April 23, 2025

TO: President and Directors of the Harbor District Board

FROM: Public Works Department

TITLE: AMENDMENT 5 TO PERCENTAGE LEASE AGREEMENT WITH CHARLES W. **BRAMMER, DBA CHIC'S CUSTOM CANVAS**

RECOMMENDATION

Staff recommends that the Harbor District Board of Directors approve Amendment 5 to the Percentage Property Lease Agreement with Charles Brammer, dba Chic's Custom Canvas, for the leased premises at 1400 Harbor Drive North, Suites "A", "B" & "C", for a one-year minimum total revenue of \$18,386; and authorize the Administrative Officer to execute the amendment.

BACKGROUND AND ANALYSIS

On May 17, 2017, Chic's Custom Canvas ("Lessee"), entered into a Percentage Property Lease Agreement with the Oceanside Small Craft Harbor District ("District"), for the office spaces located at 1400 Harbor Drive North, Suites "A", "B" & "C". Lessee provides onsite boat canvas repairs for boaters and the public within the Oceanside Harbor. Amendment 1 to the Lease Agreement, dated February 7, 2018, Amendment 2 dated June 5, 2019, Amendment 3 dated May 5, 2021 and Amendment 4 dated May 3, 2023 were subsequently approved by the Harbor District Board of Directors (collectively "the Agreement").

The existing Agreement provides for one additional two-year extension. Lessee has requested a oneyear extension of the Agreement at this time to continue ongoing operations at the leased premises. The proposed amendment provides for one additional one-year extension.

Lessee will pay annual minimum rent of \$18,386 for the Premises, payable monthly in the amount of \$1,532. Lessee shall pay the greater of the minimum rent or percentage rent in an amount equal to six percent of gross income.

FISCAL IMPACT

| | | | Revenue Account |
|--|---------|-----|----------------------------|
| Chic's Custom Canvas Minimum Rent Revenue | \$1,532 | . , | Harbor Leases 1751.4496 |

The amendment will result in minimum total revenue over the one-year term in the amount of \$18,386 and will be deposited to account 1751.4496. Additional revenue in the form of percentage rents may be realized if the percentage of rent is in excess of the minimum rent from the gross sales. Minimum total revenue was collected for prior two years in the amount of \$33,748. No sales overage was collected from Lessee.

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

Prepared by: Julie Cook, Property Agent II Reviewed by: Hamid Bahadori, Public Works Director Submitted by: Jonathan Borrego, Administrative Officer

ATTACHMENTS:

- 1. Staff Report
- 2. Amendment 5
- 3. Lease Calculation